

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 12, 2010**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 12, 2010, commencing at 7:02 a.m.

Present: Council Member Hansen, Council Member Johnson, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Absent: Council Member Mounce

Also Present: Interim City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Operational/Financial Report for the Hutchins Street Square Community Center (COM)

Interim City Manager Rad Bartlam provided a brief introduction to the subject matter of the operational and financial report for Hutchins Street Square (HSS).

Community Center Director Jim Rodems provided a PowerPoint presentation regarding the operational and financial report for the Community Center. Specific topics of discussion included an overview of HSS, 2009/10 budget target, 2009/10 budget actual, three-year revenue comparison, deficit items, revenue comparison by area, facility rentals, HSS Foundation, arts and specialty classes, arts and event coordination, Performing Arts Center, Senior Center, senior programs, Lodi Youth Commission, Lodi Memorial Hospital (LMH) programs, corrective fiscal measures, challenges for 2010/11, and goals for 2010/11.

In response to Mayor Pro Tempore Hitchcock, Mr. Rodems stated the 35% target number for revenue generation was established when HSS was transitioned to a special revenue fund. Mr. Rodems stated the number was chosen based on a \$1 to \$2 ratio and similar departments in other cities are funded based on the needs of the City as there is no industry standard.

In response to Mayor Katzakian, Mr. Rodems stated the department started tracking the revenues for generation purposes a few years ago and overall the numbers have remained consistent.

In response to Council Member Hansen, Mr. Rodems stated there are no plans in place to look at deferred maintenance for the HSS facility alone as the discussion is part of the Citywide facilities and deferred maintenance discussion.

In response to Council Member Hansen, Mr. Bartlam stated the City is going to have to start looking at deferred maintenance being funded from expenditures because there are no new revenue sources. Mr. Bartlam stated in recreation some maintenance was built into the fees; although, HSS needs to be cognizant of the economy and market conditions to remain competitive in its offerings.

In response to Mayor Katzakian, Mr. Bartlam stated the one-time funds from the Lodi Energy Center may be put toward one-time capital maintenance projects, understanding that the list of projects is greater than the funds available.

In response to Mayor Pro Tempore Hitchcock, Mr. Rodems stated the use has gone up but the revenue has gone down and that is due to an increase in internal and community use.

In response to Council Member Johnson, Mr. Rodems stated he is aware of the current status of the annual report from the HSS Foundation but, based on the direction from the former City Manager, the Foundation began looking at facility-related maintenance costs to fund, such as the pool, as opposed to paying down the debt service.

In response to Council Member Hansen, Mr. Rodems stated revenues will not necessarily match expenditures with respect to programming and classes due to the economy and low-performing classes as they are generally direct cost recovery based.

In response to Council Member Hansen, Mr. Rodems stated the General Fund support for the Community Center is \$29,000.

In response to Council Member Johnson, Mr. Rodems stated the formula for programming and classes at HSS is contractually based with a 60%/40% split with the City retaining the 40%.

In response to Council Member Hansen, Mr. Rodems stated the 60%/40% formula was arrived at by reviewing the direct and indirect costs for the programming in conjunction with the instructors' needs for the classes and proposed rates.

In response Council Member Hansen, Mr. Rodems stated the attendance numbers reflect single visits to the facility.

In response to Council Member Johnson, Mr. Rodems stated the differential in numbers for City-related uses is due to the fact that class structure was not previously counted as City use.

Mayor Pro Tempore Hitchcock and Council Member Johnson requested a list of uses for the facility showing the different types of uses and a listing of City uses versus non-City uses.

A brief discussion ensued between Mayor Pro Tempore Hitchcock, Council Member Hansen, and Mr. Rodems regarding the programming and class use for community benefit versus private use for revenue generation purposes.

In response to Council Member Johnson, Mr. Rodems stated space adjustments are made without affecting programming and an example is a dance recital being moved to the stage in the theater so that another room can be used for revenue generation.

In response to Council Member Hansen, Mr. Rodems stated there is a \$1 rental for Lodi Memorial Hospital and the Senior Center and there is no cost for the referral and information services provided to seniors.

In response to Mayor Pro Tempore Hitchcock, Mr. Rodems stated one full-time and one part-time staff is dedicated to the senior program currently and the subsidy is essentially the cost of the program at approximately \$117,000.

In response to Council Member Johnson, Mr. Rodems stated staff regularly partners with the LOEL Center to provide senior programs and is looking to continuing partnering with LOEL and other agencies as they try to grow the senior program offerings.

In response to Council Member Hansen, Mr. Rodems stated staff will be looking at options associated with additional partnerships and donations when reviewing and potentially enhancing the senior services programs.

In response to Council Member Hansen, Mr. Rodems stated the rent for the Camp Hutchins space is \$1 per year and it may be possible for LMH to contribute financially toward facility maintenance based on its use of the space.

In response to Council Member Hansen, Mr. Rodems stated that, at the beginning of the LMH fiscal year, LMH will begin to contribute toward the utilities and direct costs for the 3,000 square foot space used for Camp Hutchins. Mr. Rodems stated currently the program is staffed by LMH with two full-time employees and one part-time employee indicating some level of success for the program.

In response to Council Member Hansen, Mr. Rodems stated the fiscal year for LMH runs from January to December.

In response to Mayor Katzakian, Mr. Rodems stated there are some music program offerings to offset the school district cuts in those types of programs.

In response to Council Member Johnson, Mr. Rodems stated the auto shop continues to be cleared out although there would need to be significant improvements made to the space to make it available for programming use.

In response to Council Member Johnson, Mr. Rodems stated that, with respect to hiring a replacement for the former Senior Services Coordinator, reference checks are being completed and it is anticipated that an individual will be hired by the first week in November.

In response to Myrna Wetzel, Mr. Rodems stated there is a senior drop in day care program offered at HSS through LMH, the program is more transitional in nature, the criteria is fairly stringent, and participants generally stay for one to six months.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:09 a.m.

ATTEST:

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Operational/Financial Report for the Hutchins Street Square Community Center

MEETING DATE: October 12, 2010

PREPARED BY: James M. Rodems, Director

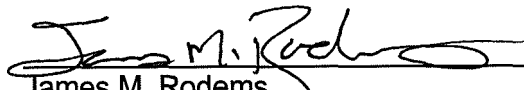
RECOMMENDED ACTION: Receive presentation regarding *operational/financial* report for the Hutchins Street Square Community Center.

BACKGROUND INFORMATION: The Hutchins Street Square Community Center provides programs and facilities for the City of Lodi and surrounding communities. In Fiscal Year 2008/09, Hutchins Street Square was designated a special revenue department, requiring it to generate enough revenue to cover approximately two-thirds of its operating budget.

The total annual budget for the Hutchins Street Square Community Center for FY 2009/10 was \$1,844,318, which included \$662,329 debt service paid from the General Fund. Staff will provide the Council an overview of the operation for FY 2009/10.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.


James M. Rodems
Interim Director, Parks and Recreation

APPROVED:


Konradt Bartlam, Interim City Manager

Hutchins Street Square Community Center

Operational/Financial Report
October 12, 2010





Hutchins Street Square

- ❑ Provides myriad community programs/services
- ❑ Provides space for community groups to meet
- ❑ Produces and promotes events for the community
- ❑ Partnerships with various organizations to provide services
- ❑ Liaisons for commissions and organizations



2009-10 Budget Target

HSS is targeted to generate revenue of approximately 35% of its total budget

Total funding:	\$1,859,673
■ Debt Service:	\$663,329
■ General Fund:	\$502,766
■ Revenue Target:	\$693,578



2009-10 Budget Actual

	2008-09	2009-10
Total Expenditure*:	\$1,510,131	\$1,253,944
General Fund:	\$599,360	\$502,766
Revenue Actual:	<u>\$678,560</u>	<u>\$631,193</u>
Total	-\$232,211	- \$119,985

*Note: Budget Actual Less Debt Service



3 Year Revenue Comparison

□ 2007-08

- \$1,462,957 budget
- Target Revenue: \$565,425
- Actual Revenue: \$658,844 +14.2%

□ 2008-09

- \$1,276,016 budget
- Target Revenue: \$665,739
- Actual Revenue: \$678,560 +2%

□ 2009-10

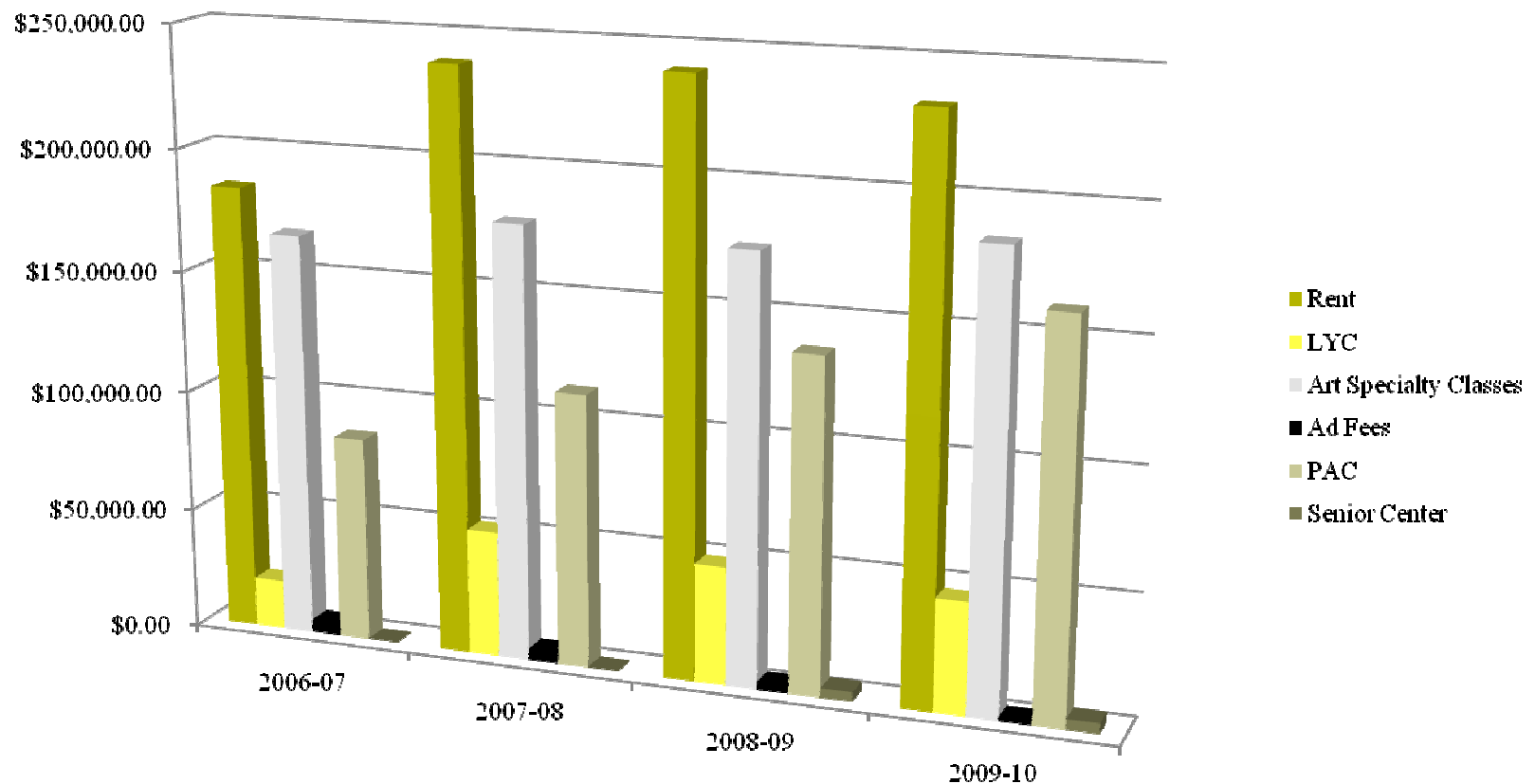
- \$1,196,344 budget
- Target Revenue: \$693,578
- Actual Revenue: \$631,193 -9.8%



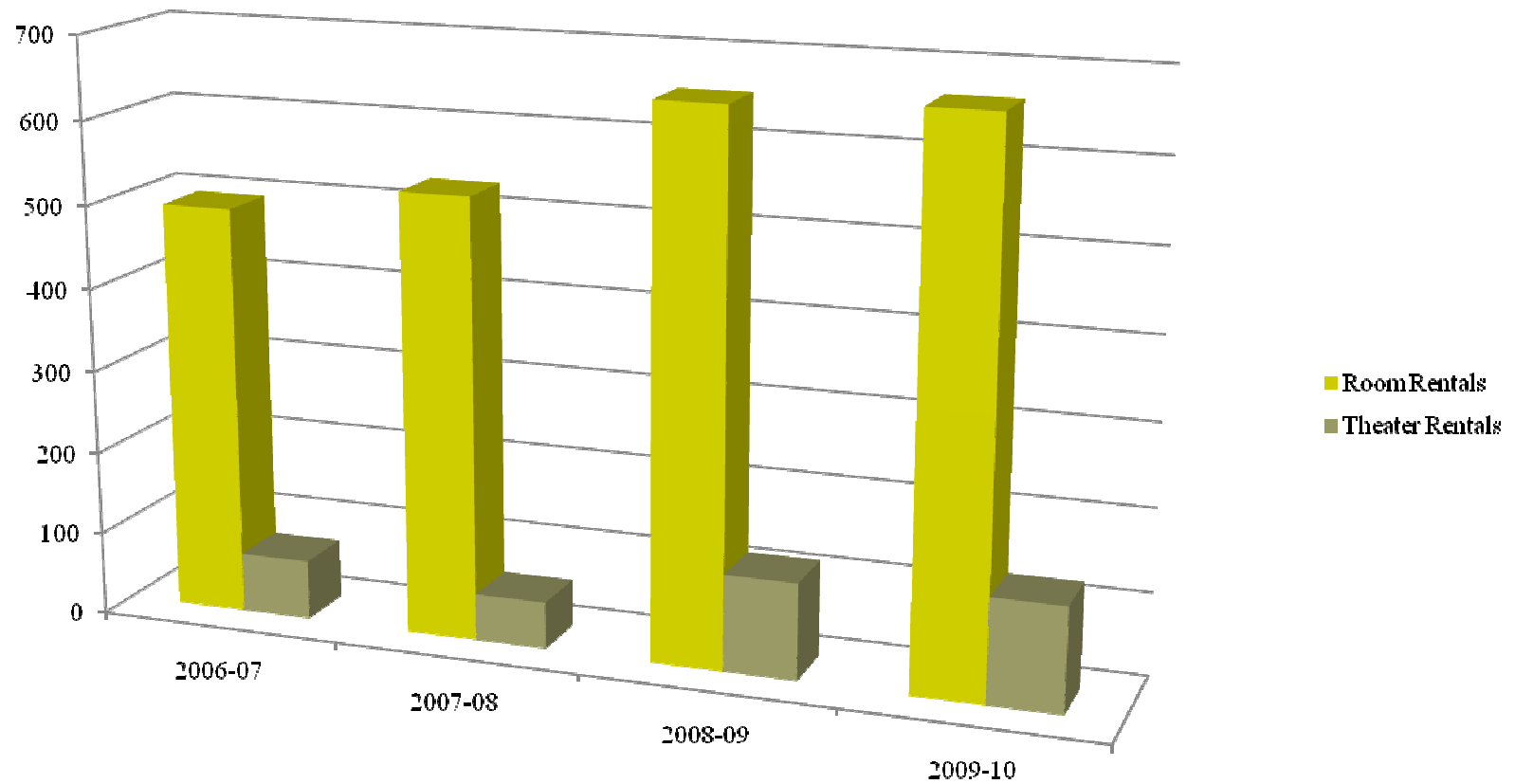
Deficit Items

- Division missed revenue target by 9.8%.
 - Overspent on budget by \$59,963
 - Missed revenue target by \$62,385
- Repairs to facility and equipment outside of the budget.
 - Theater Equipment
 - Building HVAC Repair
 - Maintenance to systems/physical plant

Revenue Comparison by Area



Facility Rentals





HSS Foundation

- ❑ Assists in Major Capital Projects
- ❑ Fund Raised the complete cost for the Pool Air Conditioning Control Unit (PAC) of \$190,000.00
- ❑ Assisted in the renovation of the Senior Center Patio
- ❑ Continues to assist in equipment purchases and some deferred maintenance and program support



Arts and Specialty Classes

Budgeted \$ 214,820

Actual Cost \$ 214,076

Revenue \$ 184,234

Program Cost \$ 29,842



Art and Specialty Classes

- **2007-08:**

Class Revenue:	\$177,777
Attendance:	14,469

- **2008-09:**

Class Revenue:	\$174,760
Attendance:	14,050

- **2009-10:**

Class Revenue:	\$184,234
Attendance:	13,355



Art and Specialty Classes

- ❑ 7th Annual Arts Open House
- ❑ Summer Drop-In Recreation Program
- ❑ Project Lodi Art
- ❑ Live Theater Performances for Children
- ❑ Increase Program Revenue



Art and Event Coordination

Budgeted \$ 107,655

Actual Cost \$ 116,134

Revenue \$ 232,856

Program Revenue \$ 116,722



Art and Event Coordination

- ❑ **2007-08 Uses: 530** (42 city uses)
- ❑ **2008-09 Uses: 607** (242 city uses)
- ❑ **2009-10 Uses: 663** (323 city uses)

Revenue

- ❑ 2007-08 \$238,518.00
- ❑ 2008-09 \$240,306.00
- ❑ 2009-10 \$232,856.00



Performing Arts Center

Budgeted \$ 190,453

Actual Cost \$ 205,884

Revenue \$ 160,841

Program Cost \$ 45,043



Performing Arts Center

Rental Days

- 2007-2008: 56
- 2008-2009: 116
- 2009-2010: 126

Revenue

2007-08:	\$112,174.00
2008-09:	\$136,625.00
2009-10:	\$160,841.00



Senior Center

Budgeted \$ 110,180

Actual Cost \$ 121,931

Revenue \$ 4,150

Program Cost \$ 117,781



Senior Center

- **2007-08**
 - Served: 13,412
 - Volunteer Hours: 2,268

- **2008-09**
 - Served: 13,624
 - Volunteer Hours: 2009

- **2009-10**
 - Served: 9,930
 - Volunteer Hours: 1501



Senior Center Programs

- ❑ Information and referral services
- ❑ Health Insurance Counseling and Advocacy (HICAP)
- ❑ Legal Services for Seniors
- ❑ Computer Classes
- ❑ Income Tax Assistance (AARP trained staff)
- ❑ Brain Builders – Program to assist individuals with early memory loss
- ❑ Older Adult Learning classes – UOP
- ❑ Health screenings in cooperation with LMH



Lodi Youth Commission

Budgeted \$ 36,215

Actual Cost \$ 44,318

Revenue \$ 45,886

Program Revenue \$ 1,568



Lodi Memorial Hospital Programs

- Adult Day Care – Clients Served

■ 2007-08:	5,291
■ 2008-09:	5,123
■ 2009-10:	4,561

- Camp Hutchins – Clients Served

■ 2007-08:	13,943
■ 2008-09:	13,651
■ 2009-10:	13,375



Lodi Youth Commission

- ❑ Provide Youth Services in a Safe Environment
- ❑ Continue to Hold Community Youth Dances
- ❑ Development of a Youth Leadership Conference
- ❑ Act as a Liaison for the Youth of Lodi to City Council



Corrective Fiscal Measures

- ❑ Continue departmental Re-Organization
- ❑ 2010-11 first full year of previous corrective measures.
- ❑ Continue to streamline services between departments.
- ❑ Continue to partner with outside organizations to provide additional programming.
- ❑ Revenue from Camp Hutchins



Challenges for 2010-11

- ❑ Facility maintenance
- ❑ Deferred maintenance
- ❑ Space constraints
- ❑ Cost control



Goals for 2010-11

- ❑ Increase rental use of the facility
- ❑ Achieve two to one revenue generation to general fund dollars
- ❑ Continue to co-program with Recreation
- ❑ Expand Senior Programs